

Louisiana Association for the Blind

Financial Statements Years Ended September 30, 2008 and 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/4/09

Louisiana Association for the Blind

Financial Statements

Years Ended September 30, 2008 and 2007

Louisiana Association for the Blind

Contents

Independent Auditors' Report	3
Financial Statements	
Statements of Financial Position	4
Statements of Activities and Changes in Net Assets	5
Statements of Cash Flows	6
Summary of Accounting Policies	7-9
Notes to Financial Statements	10-15
Independent Auditors' Report on Supplemental Material	17
Supplemental Material	
Schedules of General and Administrative Expense	18
Schedules of Sales and Cost of Sales	19
Schedules of Sales and Cost of Sales – Base Service Center	20
Schedule of State Contracts	21
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	22-23
Summary of Audit Results	24



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Independent Auditors' Report

The Board of Directors
Louisiana Association of the Blind
Shreveport, Louisiana

We have audited the accompanying statements of financial position of Louisiana Association of the Blind for the years ended September 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Association of the Blind as of September 30, 2008 and 2007, and the results of its activities and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2008, on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of our audit.

Shreveport, Louisiana
October 30, 2008

Louisiana Association for the Blind

Statements of Financial Position

	September 30, 2008			September 30, 2007		
	Unrestricted Fund	Temporarily Restricted Funds	Total All Funds	Unrestricted Fund	Temporarily Restricted Funds	Total All Funds
Assets						
Current assets:						
Cash and cash equivalents	\$ 1,599,530	\$3,596	\$ 1,603,126	\$ 1,716,542	\$3,596	\$ 1,720,138
Short-term investments (Note 3)	1,749,489	-	1,749,489	1,448,580	-	1,448,580
Accounts receivable	1,777,087	-	1,777,087	1,652,600	-	1,652,600
Inventories (Note 1)	2,958,244	-	2,958,244	2,222,823	-	2,222,823
Prepaid expenses and other	72,243	-	72,243	90,121	-	90,121
Total current assets	8,156,593	3,596	8,160,189	7,130,666	3,596	7,134,262
Long-term investments (Note 3)	5,632,395	-	5,632,395	5,112,113	-	5,112,113
Property and equipment, net (Note 2)	3,865,238	-	3,865,238	3,372,235	-	3,372,235
	\$17,654,226	\$3,596	\$17,657,822	\$15,615,014	3,596	\$15,618,610
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	\$ 2,155,442	\$ -	\$ 2,155,442	\$ 1,585,733	\$ -	\$ 1,585,733
Accrued payroll and related expenses	463,555	-	463,555	390,885	-	390,885
Current maturities of long-term debt (Note 4)	34,035	-	34,035	28,117	-	28,117
Total current liabilities	2,653,032	-	2,653,032	2,004,735	-	2,004,735
Long-term debt (Note 4)	863,089	-	863,089	946,366	-	946,366
Total Liabilities	3,516,121	-	3,516,121	2,951,101	-	2,951,101
Commitments and contingencies (Note 5)						
Net assets						
Unrestricted	14,138,105	-	14,138,105	12,663,913	-	12,663,913
Temporarily restricted (Note 7)	-	3,596	3,596	-	3,596	3,596
Total net assets	14,138,105	3,596	14,141,701	12,663,913	3,596	12,667,509
	\$17,654,226	\$3,596	\$17,657,822	\$15,615,014	\$3,596	\$15,618,610

See accompanying summary of accounting policies and notes to financial statements.



<i>Years Ended</i>	September 30, 2008		
	Unrestricted Fund	Temporarily Restricted Funds	Total All Funds
Sales (Note 6)	\$ 23,489,917	\$ -	23,489,917
Cost of sales	(19,610,602)	-	(19,610,602)
<i>Gross profit</i>	3,879,315	-	3,879,315
Expenses:			
Selling	608,912	-	608,912
General and administrative	2,140,408	-	2,140,408
<i>Total expenses</i>	2,749,320	-	2,749,320
<i>Increase in net assets from operations</i>	1,129,995	-	1,129,995
Other income:			
Investment income (loss), net	(202,757)	-	(202,757)
Other	215	-	215
Support	546,739	-	546,739
<i>Total other income</i>	344,197	-	344,197
<i>Increase in net assets</i>	1,474,192	-	1,474,192
Net assets released from restrictions	-	-	-
Net assets, beginning of year	12,663,913	3,596	12,667,509
<i>Net assets, end of year</i>	\$ 14,138,105	\$ 3,596	\$ 14,141,701

Louisiana Association for the Blind

Statements of Activities and Changes in Net Assets

	September 30, 2007		
	Unrestricted Fund	Temporarily Restricted Funds	Total All Funds
	\$ 20,466,759	\$ -	\$ 20,466,759
	(16,808,291)	-	(16,808,291)
	3,658,468	-	3,658,468
	586,367	-	586,367
	1,831,205	-	1,831,205
	2,417,572	-	2,417,572
	1,240,896	-	1,240,896
	466,504	-	466,504
	(11,190)	-	(11,190)
	25,237	-	25,237
	480,551	-	480,551
	1,721,447	-	1,721,447
	29,468	(29,468)	-
	10,912,998	33,064	10,946,062
	\$ 12,663,913	\$ 3,596	\$ 12,667,509



<i>Years Ended</i>	September 30, 2008		
	Unrestricted Fund	Temporarily Restricted Funds	Total All Funds
Cash Flows from Operating Activities:			
Increase in net assets	\$ 1,474,192	\$ -	\$ 1,474,192
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation	297,525	-	297,525
Realized gain on sale of investments	(54,971)	-	(54,971)
Unrealized (gain) loss on investments	558,097	-	558,097
(Gain) loss on sale of asset	3,558	-	3,558
Change in operating assets and liabilities:			
Accounts receivable	(124,487)	-	(124,487)
Inventories	(735,421)	-	(735,421)
Prepaid expenses and other	17,878	-	17,878
Accounts payable	569,709	-	569,709
Accrued payroll and related expenses	72,670	-	72,670
Net cash provided by operating activities	2,078,750	-	2,078,750
Cash Flows From Investing Activities:			
Additions to plant and equipment	(805,451)	-	(805,451)
Proceeds from sale of asset	11,365	-	11,365
Net increase in investments	(1,324,317)	-	(1,324,317)
Net cash used in investing activities	(2,118,403)	-	(2,118,403)
Cash Flows from Financing Activities:			
Net assets released from restrictions	-	-	-
Proceeds from note payable	-	-	-
Payments of long-term debt	(77,359)	-	(77,359)
Net cash provided by financing activities	(77,359)	-	(77,359)
Net increase in cash	(117,012)	-	(117,012)
Cash and cash equivalents at beginning of year	1,716,542	3,596	1,720,138
Cash and cash equivalents at end of year	\$ 1,599,530	\$ 3,596	\$ 1,603,126

Louisiana Association for the Blind

Statements of Cash Flows

	September 30, 2007		
	Unrestricted Fund	Temporarily Restricted Funds	Total All Funds
	\$ 1,721,447	\$ -	\$ 1,721,447
	294,080	-	294,080
	(23,789)	-	(23,789)
	(178,078)	-	(178,078)
	(4,654)	-	(4,654)
	142,785	-	142,785
	117,583	-	117,583
	(936)	-	(936)
	(58,886)	-	(58,886)
	76,099	-	76,099
	2,085,651	-	2,085,651
	(1,234,185)	-	(1,234,185)
	60,017	-	60,017
	(1,229,081)	-	(1,229,081)
	(2,403,249)	-	(2,403,249)
	29,468	(29,468)	-
	604,407	-	604,407
	(30,826)	-	(30,826)
	603,049	(29,468)	573,581
	285,451	(29,468)	255,983
	1,431,091	33,064	1,464,155
	\$ 1,716,542	\$ 3,596	\$ 1,720,138

Louisiana Association for the Blind

Summary of Significant Accounting Policies

Nature of Business	Louisiana Association for the Blind (the "Association") is a nonprofit organization formed to evaluate, train and provide employment opportunities for the blind in northwest Louisiana. Employment opportunities are provided primarily through the Association's manufacture of paper and abrasive products and retail sales for Barksdale Air Force Base.
Basis of Accounting	The Association uses the accrual basis of accounting for both unrestricted and restricted funds. Unrestricted fund assets, liabilities, revenue and expenses are those items acquired or incurred through the Association's normal fund raising efforts and production activities. Restricted fund assets, liabilities, revenue and expenses include those items acquired or received through the Association's normal fund raising efforts as well as those items received or incurred pursuant to grants from various agencies, the use of which is governed by restrictions placed thereon by the donors. Restricted funds may be used only for the purposes for which the donor or grantor contributed such funds.
Property, Equipment and Depreciation	It is the Association's policy to capitalize property and equipment over \$2,000. Lesser amounts are expensed. Purchased property and equipment are recorded at cost. Donated items are recorded at the fair market value of the items on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the various classes of assets ranging from three to forty years. Maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed as incurred.
Revenue Recognition	The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted donations on which the restriction expires in the same year received are reported in the unrestricted fund.
Income Taxes	The Association is a nonprofit entity, which has been determined to be exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying financial statements.

Louisiana Association for the Blind

Summary of Significant Accounting Policies *(Continued)*

Cash	For purposes of the statements of cash flows, cash includes cash in bank accounts and interest-bearing deposits with original maturities of 90 days or less which are not held for investment purposes. Investments are excluded from cash regardless of maturity, as management does not intend to use such funds within 90 days. At September 30, 2008, \$1,836,366 in recorded cash and cash equivalents were invested in overnight repurchase agreements and were therefore not covered by FDIC insurance.
Use of Estimates	The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management include the value of investments, the collectibility of recorded accounts receivable, inventory valuation and the life of fixed assets.
Inventories	Inventories, consisting primarily of paper and paper related office products, are stated at the lower of cost or market. Cost is determined on a first-in, first-out method.
Financial Statement Presentation	The Association has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Association does not use fund accounting.
Contributions	The Association has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Louisiana Association for the Blind

Summary of Significant Accounting Policies *(Concluded)*

Investments

The Association has adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Fair values are computed based on quoted market values as provided by the Association's financial advisors.

Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Accounts Receivable

Accounts receivable are presented in the accompanying financial statement net of any allowance for doubtful accounts. Management periodically reviews past due accounts to determine if circumstances indicate that all, or a portion, of a customer account will not be collectible. Based on this assessment, management reserves that portion of the receivable deemed to be uncollectible. At September 30, 2008 and 2007, management deemed no allowance for doubtful accounts needed to be provided.

Louisiana Association for the Blind

Notes to Financial Statements

1. Inventories

Inventories are summarized as follows:

	2008	2007
Raw materials	\$ 1,514,812	\$ 1,188,617
Finished goods	695,745	481,213
Work in process	56,582	109,012
Manufacturing inventory	2,267,139	1,778,842
Base Service Store inventory	691,105	443,981
Total	\$ 2,958,244	\$ 2,222,823

2. Property and Equipment

Major classes of property and equipment consisted of the following:

	2008	2007
Buildings	\$3,012,909	\$ 2,788,526
Padding equipment	1,428,875	1,381,333
Machinery	1,219,228	1,210,340
Xerox paper equipment	837,102	804,672
Automobiles and trucks	392,993	371,765
Land	592,298	392,298
Abrasive / deck equipment	248,975	189,165
Furniture and fixtures	180,718	170,349
Machinery – Base Service Store	129,599	129,599
Leasehold improvements – Base Service Store	133,575	121,276
Construction in progress	8,518	7,818
Idle equipment	49,100	49,100
	8,233,890	7,616,241
Less accumulated depreciation and amortization	(4,368,652)	(4,244,006)
Net property and equipment	\$3,865,238	\$ 3,372,235

Louisiana Association for the Blind

Notes to Financial Statements (Continued)

3. Investments

Investments are stated at fair value and consist of the following:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
<u>September 30, 2008</u>				
Smith Barney Short Term Reserve Account:				
Cash and money market	\$ 843,293	\$ -	\$ -	\$ 843,293
U.S. Government securities	887,069	-	(59,214)	827,855
Fixed income mutual funds	73,483	4,858	-	78,341
Total short-term investments	1,803,845	4,858	(59,214)	1,749,489
Smith Barney Intermediate Term Reserve Account:				
Money market	838,935	58	-	838,993
U. S. Government securities	148,599	6,071	-	154,670
Equity securities	45,552	34,297	-	79,849
Corporate fixed income funds	1,223,450	-	(52,587)	1,170,863
Mutual fund equities	276,619	30,587	-	307,207
	2,533,155	71,013	(52,587)	2,551,582
Bank certificates of deposit (Note 4)	2,184,896	-	-	2,184,896
Charitable Trust Fund:				
Cash and money market	110,347	487	-	110,833
Equity securities	26,750	-	(14,870)	11,880
Corporate fixed income funds	311,655	-	(67,747)	243,908
Mutual fund equities	623,192	-	(93,895)	529,297
	1,071,944	487	(176,512)	895,918
Total Long-term investments	5,789,995	71,500	(229,099)	5,632,395
<u>September 30, 2007</u>				
Smith Barney Short Term Reserve Account:				
Cash and money market	\$ 20,787	\$ -	\$ -	\$ 20,787
U.S. Government securities	575,575	3,675	(105)	579,145
Fixed income mutual funds	842,326	6,322	-	848,648
Total short-term investments	1,438,688	9,997	(105)	1,448,580
Smith Barney Intermediate Term Reserve Account:				
Money market	1,034,676	-	-	1,034,676
U. S. Government securities	218,329	3,571	(15)	221,885
Equity securities	45,552	26,195	-	71,747
Corporate fixed income funds	540,527	69,572	-	610,099
Mutual fund equities	250,313	131,823	-	382,136
	2,089,397	231,161	(15)	2,320,543

(Continued)

Louisiana Association for the Blind

Notes to Financial Statements (Continued)

3. Investments - (continued)

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
<u>September 30, 2007</u>				
Bank certificates of deposit (Note 4)	2,077,197	-	-	2,077,197
Charitable Trust Fund:				
Cash and money market	120,129	-	-	120,129
Equity securities	9,222	-	(405)	8,817
Corporate fixed income funds	388,390	98,507	(3,184)	483,713
Mutual fund equities	91,112	10,602	-	101,714
	608,853	109,109	(3,589)	714,373
Total long-term investments	\$4,775,447	\$340,270	\$(3,604)	\$5,112,113

All investments in U.S. Government securities have contractual maturities of five years or less. \$1,684,896 of investments in bank certificates of deposit are not covered by federal depository insurance.

The Board of Directors of the Association has full responsibility for governance of the Charitable Trust Fund (Trust). Income earned by the Trust is available for use in connection with any activity, which directly benefits the blind, primarily educational, charitable or literary purposes. Principal of the Trust is available for use only to the extent the original donor has so provided. At September 30, 2008, no assets of the Charitable Trust Fund were restricted as to use other than as directed by the Association's Board of Directors.

The following schedule summarizes the investment return and its classification in the statements of activities:

	Unrestricted	Temporarily Unrestricted	Total
<u>September 30, 2008</u>			
Interest income, net	\$ 200,280	\$ -	\$ 200,280
Dividends	102,874	-	102,874
Net realized and unrealized gains	(503,127)	-	(503,127)
Total return on investments	\$ (199,973)	-	\$ (199,973)
<u>September 30, 2007</u>			
Interest income, net	\$ 183,632	\$ -	\$ 183,632
Dividends	81,005	-	81,005
Net realized and unrealized gains	201,867	-	201,867
Total return on investments	\$ 466,504	\$ -	\$ 466,504

Louisiana Association for the Blind

Notes to Financial Statements (Continued)

4. Notes Payable

The Association has a prime plus one percent \$250,000 line of credit with JP Morgan Chase Bank, N.A. Collateral for the line is any equipment purchased using funds from the line of credit. The line of credit matures November 1, 2009. At September 30, 2008, there were no amounts outstanding under this loan.

In 2006, the Association entered into a loan agreement with IberiaBank to fund the construction of its Low Vision Clinic. The \$897,124, 5.81 percent note is collateralized by certificates of deposit totaling \$1,120,433 at September 30, 2008. The note is due on demand or, if no demand is made, then interest only through May 16, 2007, 103 consecutive monthly payments of \$7,105, including interest, beginning June 16, 2008, with a final payment of \$532,043 on May 11, 2017. Assuming no demand for payment is made, scheduled maturities of this note are: 2009 - \$34,035; 2010 - \$36,066, 2011 - \$38,218; 2012 - \$40,498; 2013 - \$42,915; thereafter - \$705,392.

The Association invested \$1,000,000 in a certificate of deposit with Barksdale Federal Credit Union to be used as collateral on a loan for another project. At September 30, 2008 the balance of the Barksdale Federal Credit Union certificate was \$1,064,462.

5. Commitments, Contingencies and Leases

The Association leases equipment for certain of its activities under operating leases. Minimum rentals under the leases with initial or remaining terms in excess of one year were as follows at September 30, 2008:

Year	Operating Leases
2009	\$ 31,152
2010	31,152
2011	28,608
2012	24,312
Total minimum rentals	\$ 115,224

Louisiana Association for the Blind

Notes to Financial Statements

(Continued)

**5. Commitments,
Contingencies and
Leases
- (continued)**

Amounts charged to operations under operating leases totaled \$26,123 and \$25,183, in 2008 and 2007, respectively.

In the normal course of business, the Association may be subject to various claims and litigation. The Association anticipates no material losses as a result of any such actions.

The Association's President / Chief Executive Officer is employed under an employment contract with a term ended September 30, 2008. The Senior Vice-President was chosen by the Board of Directors to succeed the Current President / Chief Executive Officer due to retirement. The new President is under an employment contract through September 30, 2008 when the contract can be renewed by the Board of Directors. The Vice-President of Administration is employed under an employment contract with terms ending September 30, 2009. In addition, certain non-officer supervisors are employed under contracts ending at various points through September 30, 2009.

6. Major Customer

The majority of the Association's sales are to agencies of the United States Government. Sales to agencies of the United States Government accounted for approximately 98% and 94% of total sales in 2008 and 2007. Related accounts receivable accounted for approximately 95% and 94% of total accounts receivable at September 30, 2008 and 2007, respectively.

**7. Temporarily Restricted Net
Assets**

Temporarily restricted net assets are as follows:

	2008	2007
Scholarships	\$3,596	\$3,596
	\$3,596	\$3,596

Louisiana Association for the Blind

Notes to Financial Statements *(Concluded)*

8. Retirement Plan

The Association has a qualified, contributory 401(k) plan for all eligible employees. Eligible employees may contribute up to 15% of gross compensation into the plan and the Association will match 100% of each employee contribution up to a maximum of 4% of compensation, and 50% of each employee contribution up to a maximum of 6% of compensation. Also, the Association can contribute a discretionary amount as determined annually by the Board of Directors based on year-end profits.

The total of the discretionary contributions, matching contributions and employee contributions may not exceed 20% of the annual compensation of all participating employees. Matching contributions charged against operations amounted to \$80,359 and \$75,752 in 2008 and 2007, respectively. There were no discretionary contributions made in the years ended September 30, 2008 or 2007.

9. Supplemental Cash Flows Information

Cash paid for interest totaled \$55,255 and \$53,456 for the years ended September 30, 2008 and 2007, respectively.

10. Related Party Transactions

The Association purchases its group insurance through an agent who is also a member of the Board of Directors. Total group insurance premiums amounted to approximately \$378,500 and \$466,000 in 2008 and 2007, respectively. The agent for the Association's qualified 401(k) plan is also a member of the Board of Directors. Total contributions to the plan amounted to \$201,000 and \$179,700 in 2008 and 2007, respectively. The Association paid a member of the board of directors approximately \$11,600 in 2007 for computer equipment and services.

11. Major Vendors

Two vendors accounted for 27% and 23% of purchases in 2008. Two vendors accounted for 43% and 27% of purchases in 2007.

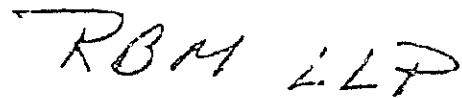
Supplemental Material



**Independent Auditors' Report
on Supplemental Material**

Board of Directors
Louisiana Association for the Blind
Shreveport, Louisiana

Our audits of the basic financial statements included in the preceding section of this report were performed for the purpose of forming an opinion on those statements taken as a whole. The schedule of state contracts and supplemental material presented in the following section of this report is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "RBM LLP". The letters are stylized and connected, with a long horizontal line extending from the top of the "R".

Certified Public Accountants

Shreveport, Louisiana
October 30, 2008

Louisiana Association for the Blind

Schedules of General and Administrative Expense

<i>Years Ended September 30,</i>	2008	2007
Salaries – administrative	\$ 901,372	\$ 775,426
Salaries – maintenance and other	269,170	199,189
Insurance – general	180,658	202,254
Insurance – group	118,591	106,090
Repairs and maintenance	99,374	50,497
Depreciation	81,773	107,954
Payroll taxes	79,610	69,933
Miscellaneous	52,143	46,774
Travel	36,948	16,868
Special Projects	35,677	86
Retirement plan contributions	34,201	33,980
Office	31,398	36,906
Employee benefits	30,961	10,054
Rental	26,122	25,183
Utilities	26,105	22,197
Advertising and publicity	21,689	8,100
Telephone	21,182	22,999
Audit	19,111	17,065
Small tools and equipment	17,593	5,088
Special Events	12,926	17,688
Consulting	9,833	6,144
Truck and auto	9,749	6,095
Postage and freight	8,363	6,873
Supplies	4,369	10,945
Contract labor	3,460	6,767
Entertainment	3,104	1,561
Dues, subscriptions and fees	2,460	11,997
Board and other meeting expenses	1,346	1,606
Legal	1,020	4,436
Contributions	100	450
	\$2,140,408	\$1,831,205

September 30, 2008

<i>Years Ended</i>	Paper	Sub- Contract	Abrasives	D. H. S.	Xerox & Other	Total
Sales:						
General Services Administration	\$1,147,155	\$ -	\$ 328,158	\$ -	\$ 11,184,605	\$12,659,918
MAS and JWOD	1,723,196	-	288,638	-	4,018,495	6,030,329
Commercial / NON-NIB	66,807	-	967,149	-	236,298	1,270,254
Waste	-	-	-	-	164,388	164,388
A T & T and Frymaster	2,363	-	-	-	-	2,363
Training fees	-	-	-	100,259	-	100,259
Other	35	-	25,988	23,612	3,202	52,837
Returns and allowances	-	-	-	-	-	-
	2,939,556	-	1,609,933	123,871	15,606,988	20,280,348
Cost of Sales:						
Beginning inventory	678,315	515	83,459	5,536	1,011,017	1,778,842
Add: Purchase / transfer from other departments	1,152,332	(22)	642,451	20,526	11,612,313	13,427,600
Less: Ending inventory	(652,064)	(493)	(67,374)	(16,594)	(1,530,614)	(2,267,139)
Raw materials consumed	1,178,583	-	658,536	9,468	11,092,716	12,939,303
Manufacturing costs	1,431,842	-	271,624	311,833	1,953,307	3,968,606
Cost of sales	2,610,425	-	930,160	321,301	13,046,023	16,907,909
Gross profit (loss)	329,131	-	679,773	(197,430)	2,560,965	3,372,439
Gross profit as a percent of sales	11.2%	NM	42.2%	NM	16.4%	16.6%

NM - Not Meaningful

Louisiana Association for the Blind

Schedules of Sales and Cost of Sales

September 30, 2007					
Paper	Sub- Contract	Abrasives	D. H. S.	Xerox & Other	Total
\$1,060,523	\$ -	\$ 257,797	\$ -	\$ 8,778,386	\$10,096,706
1,374,625	-	190,533	-	3,444,288	5,009,446
24,548	-	866,243	-	1,012,757	1,903,548
10,538	-	-	-	128,855	139,393
2,320	365	-	-	-	2,685
-	-	-	47,763	-	47,763
205	16,464	23,833	9,505	1,519	51,526
-	-	-	-	(37)	(37)
2,472,759	16,829	1,338,406	57,268	13,365,768	17,251,030
699,474	516	307,300	-	934,045	1,941,335
1,018,387	2,732	359,330	17,170	8,965,095	10,362,714
(678,315)	(515)	(83,459)	(5,536)	(1,011,017)	(1,778,842)
1,039,546	2,733	583,171	11,634	8,888,123	10,525,207
1,264,099	80,891	225,455	186,251	1,736,369	3,493,065
2,303,645	83,624	808,626	197,885	10,624,492	14,018,272
\$ 169,114	\$(66,795)	\$ 529,780	\$(140,617)	\$2,741,276	\$ 3,232,758
6.8%	NM	39.6%	NM	20.5%	18.7%

September 30, 2008

<i>Years Ended</i>	Base Supply	Base Equipment	Total
Sales	\$ 759,000	\$2,450,569	\$3,209,569
Cost of Sales:			
Beginning inventory	170,411	273,570	443,981
Add: Purchase / transfer from other departments	662,462	2,219,173	2,881,635
Less: Ending inventory	(231,856)	(459,249)	(691,105)
Raw materials consumed	601,017	2,033,494	2,634,511
Other costs	34,273	33,908	68,181
Cost of sales	635,290	2,067,402	2,702,692
Gross profit	123,710	383,167	506,877
Gross profit as a percent of sales	16.3%	15.6%	15.8%

Louisiana Association for the Blind

Schedules of Sales and Cost of Sales - Base Service Center

September 30, 2007		
Base Supply	Base Equipment	Total
\$ 863,929	\$2,351,800	\$3,215,729
141,508	257,563	399,071
717,941 (170,411)	2,007,917 (273,570)	2,725,858 (443,981)
689,038	1,991,910	2,680,948
48,771	60,301	109,072
737,809	2,052,211	2,790,020
\$ 126,120	\$ 299,589	\$ 425,709
14.6%	12.7%	13.2%

Louisiana Association for the Blind

Schedule of State Contracts

<i>Description of State Contract</i>	Appropriation	Revenue Recognized	Expenditures
Act 18 of 2007 Appropriation	\$500,000	\$500,000	\$500,000

**Independent Auditors' Report on Compliance
and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements
Performed in Accordance with *Governmental
Auditing Standards***

Board of Directors
Louisiana Association for the Blind
Shreveport, Louisiana

We have audited the financial statements of Louisiana Association for the Blind, as of and for the year ended September 30, 2008, and have issued our report thereon dated October 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests revealed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

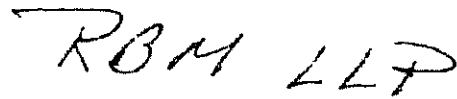
In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Association's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a

remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Association's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Association's management, the Board of Commissioners, the Caddo Parish Commission, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "RBM LLP". The letters are stylized and slanted to the right.

Certified Public Accountants

Shreveport, Louisiana
October 30, 2008

Louisiana Association for the Blind

Summary of Audit Results

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1. The auditors' report expresses an unqualified opinion on the financial statements of Louisiana Association for the Blind.
 2. No instances of noncompliance were reported in the auditors' report on compliance.
 3. No significant deficiencies in internal accounting control were reported in the auditors' report on internal control.
 4. A separate management letter was not issued.